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## Transportation Committee

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### HB 2285

**Brief Description:** Addressing the formation of local improvement districts and utility local improvement districts comprised of property in more than one city or town.

**Sponsors:** Representatives Flannigan and Simpson.

#### Brief Summary of Bill

- Authorizes cities to form local improvement districts encompassing areas that are located, entirely or in part, within an adjoining city's boundaries, if the legislative authority of the adjoining city approves formation of the district or districts.

**Hearing Date:** 2/27/09

**Staff:** Kathryn Leathers (786-7114)

#### Background:

Cities and towns are authorized to finance a wide variety of public improvements with local improvement districts and utility local improvement districts (LIDs or districts), and may form districts that are composed, entirely or in part, of areas outside of the city's or town's corporate limits.

The costs of a LID may be paid, in whole or in part, through special assessments levied against property that is specially benefitted by the proposed improvements.

The determination of whether an improvement confers special benefits to a property is made by comparing the fair market values of the property before and after the improvements are made. Once it is determined that a property is specially benefitted, any LID assessment must be logically related to, and cannot exceed, the special benefit amount.

A LID may be created either through a resolution passed by the governing body of the city or town, or by the petition of property owners within the proposed district. Cities are not required

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to obtain the permission of benefited property owners in order to make the improvements and impose assessments; however, cities must provide adequate notice to affected properties so that the property owners may challenge the amount, existence, or character of the assessments before they become final. A city's or town's authority to proceed with a LID initiated by a resolution may be divested if a protest is timely filed by property owners representing those owners in the district that are subject to 60 percent or more of the total cost of the improvement. Property owners who file timely objections are entitled to appeal the decision of the legislative authority.

**Summary of Bill:**

With the approval of the legislative authority of the adjoining city, cities are authorized to form local improvement districts or utility local improvement districts, for transportation and infrastructure purposes, that are composed of areas located, entirely or in part, within the adjoining city's boundaries.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.